

**COMMENTS OF PSI ENERGY, INC. AND CINERGY CORP.
CONCERNING THE INDIANA UTILITY REGULATORY COMMISSION'S
PROPOSED RULEMAKING ON NET METERING**

In response to the Indiana Utility Regulatory Commission's ("Commission") June 13, 2003 Proposed Rulemaking ("Proposed Rule") concerning net metering, PSI Energy, Inc. ("PSI") and Cinergy Corp. (collectively referred to as "PSI/Cinergy") submit these comments in support of the Proposed Rule. PSI/Cinergy believes that the Proposed Rule should facilitate the development of environmentally friendly power supply resources, producing benefits for all stakeholders in Indiana. PSI/Cinergy looks forward to participating in this rulemaking process.

COMMENTS

Most of the major provisions of the Proposed Rule are similar to the provisions included in Standard Contract Rider No. 57 of PSI's Retail Electric Tariff on file with the Commission. The comments set forth below address a few specific areas where PSI/Cinergy believes that the Proposed Rule needs to include either revised or more detailed provisions.

- (A) **170 IAC X-5: Interconnection** – Section 5 (b) of the Proposed Rule should be revised to read as follows:

"The net metering facility shall comply with the electric utility's technical interconnection requirements. Any inverter based system shall have Underwriters Laboratories certification that it has satisfied the testing requirements of UL 1741. Systems certified by UL 1741 shall be accepted by the electric utility as meeting any of the technical interconnection requirements tested by UL 1741."

UL 1741 is a test and certification standard for only the protection system and it applies only to inverter based systems. There are other interconnection requirements that are not, and cannot be, tested for by UL 1741. Some wind and hydro systems may not be inverter based systems; accordingly, UL 1741 would not apply to them.

UL 1741 has been updated since the May 7, 1999 date noted in the Proposed Rule.

IEEE P1547, the new interconnection standard covering all types of distributed generation, received final approval on June 12, 2003. There are requirements in that standard which cannot be pre-certified by UL 1741 or any other testing process. For example, one requirement of the new standard is that the facility shall not cause the electric utility voltage fed to other customers to go outside of allowable ranges. This requirement can only be determined by a review of the system and loads at the actual point of interconnection. Although it is highly unlikely that this would be a problem with 10 kilowatt or smaller systems, the possibility of problems should be recognized. PSI/Cinergy believes that it would only require a relatively minor amount of effort to determine if there would be a problem under a particular configuration.

- (B) **170 IAC X-6: Metering** – The metering provision of the Proposed Rule should include a requirement that the net metering customer shall pay for any meter changes if existing metering is not capable of implementing net metering. This requirement is necessary because the availability of net metering is not limited to residential customers. With respect to residential customers, it has been PSI/Cinergy's experience that the existing metering would likely be capable of implementing net metering or that the replacement metering would be similar in cost (with only additional labor costs incurred). With respect to non-residential customers, the cost of meter changes could be substantial. Accordingly, the Proposed Rule should include a provision obligating the net metering customer to pay for any required meter changes.
- (C) **170 IAC X-8: Insurance** – The insurance provision of the Proposed Rule should include a requirement that the net metering customer shall furnish the electric utility, from time to time as requested by the electric utility, with information showing that the net metering customer is in compliance with the applicable insurance requirements.

- (D) **Requirement To Supply Information And Right To Inspect** – The Proposed Rule should include a requirement that the net metering customer shall supply relevant information to the electric utility concerning the net metering facility, including the interconnection facilities, as required by the electric utility's application form. Additionally, the Proposed Rule should include a provision granting the electric utility the right to inspect the net metering facility, including the interconnection facilities, at reasonable times and upon reasonable advance notice to the net metering customer.

While the certification provisions of Section 5(c) of the Proposed Rule may lessen the need for the electric utility to inspect the net metering facility, including the interconnection facilities, until there has been a demonstrated practice in the electric utility's service territory (or by the particular electrician(s) involved in the net metering installation) of appropriate interconnection of net metering facilities, it would be unwise and risky for the electric utility to be forced to rely exclusively upon the certification.

Respectfully submitted,

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